



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

March 6, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

12 March 6, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

**AMENDMENT NO. 3 TO LEASE NO. 59429
DEPARTMENT OF MENTAL HEALTH
2311 WEST EL SEGUNDO BOULEVARD, HAWTHORNE
(SECOND DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for a five-year lease amendment for 17,000 rentable square feet for the Department of Mental Health to provide continued use of existing office and clinic space and 42 parking spaces for the South Bay Mental Health Services Clinic.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign an amendment to the five-year lease agreement with El Segundo Associates, LLC, for the Department of Mental Health for the continued occupancy of 17,000 square feet of office and clinic space and 42 parking spaces at 2311 West El Segundo Boulevard, Hawthorne, at an initial annual rental cost of \$336,600. The rental costs are fully funded by State and Federal funds.
3. Authorize the Chief Executive Officer and the Director of Mental Health to implement the project. The lease amendment will be effective upon approval by your Board.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only**

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Mental Health (DMH) has occupied 17,000 rentable square feet at this facility since 1988. The lease expired on March 8, 2011, and is currently on a month-to-month occupancy. The facility houses approximately 48 South Bay Mental Health Services Clinic (Clinic) staff. The Clinic provides mental health services to consumers in the Northeastern portion of the South Bay Area, a region with relatively few mental health resources. Clinic staff works collaboratively with local and primary health care providers to assist low-income families in the service area which covers Hawthorne, Gardena, El Segundo, Lawndale, and Inglewood, as well as the unincorporated areas of Lennox and Athens Park.

The proposed amendment will allow DMH to continue operating from this strategic location and allows continuity of service to clients, some of whom must access clinic services on a regular basis. The amendment establishes the terms and conditions for the extended lease term.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan Goals of Operational Effectiveness (Goal 1) and Health and Mental Health (Goal 4) direct that we maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services, and improve health and mental health outcomes within available fiscal and other resources, by promoting proven service models and prevention principles that are population-based, client-centered, and family-focused. In this case, the proposed action will enable DMH to continue to provide uninterrupted services to the residents at the same location.

FISCAL IMPACT/FINANCING

The proposed amendment will provide DMH use of 17,000 square feet of office and clinic space and 42 parking spaces at a monthly rent of \$28,050, or \$336,600 annually. In addition, the El Segundo Associates, LLC (Lessor) will prepare the premises with Tenant Improvements (TIs) included in the rent for new paint, carpet, and flooring.

2311 West El Segundo Blvd. Hawthorne	Existing Lease Amendment No. 2	Proposed Lease Amendment No. 3	Change
Area (square foot)	17,000	17,000	None
Term	Currently month-to-month Five years (3/9/06 – 3/8/11)	Five years, upon approval	None
Annual Rent	\$346,338 (\$20.37/sq.ft.)	\$336,600 (\$19.80/sq.ft.)	-\$9,738 (-\$0.57/sq.ft.)
Tenant Improvement Allowance	Carpet/paint	Carpet/paint (\$5/sq.ft. est.)	None
Cancellation	County of Los Angeles (County) after 30 months with 180 days notice	County after 24 months with 180 days notice	-six months
Parking (included)	42	42	None
Option to Renew	One five-year option	One five-year option	None
Rental Adjustment	Consumer Price Index (CPI) cap at 3.5 percent	CPI capped at 3.5 percent	None

This is a full-service lease whereby the Lessor is responsible for all operating costs associated with the County's occupancy. The rental rate is \$19.80 per square foot per year. Parking is included in the rental rate.

Sufficient funding for the proposed lease costs is included in the Fiscal Year (FY) 2011-12 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its FY 2011-12 operating budget to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed amendment will provide uninterrupted use of 17,000 square feet of office and clinical space and 42 parking spaces. The proposed lease amendment contains the following provisions:

- Commencement of new rent and a five-year term upon approval by your Board. A full-service lease with the Lessor responsible for all operating expenses.
- TIs included in renewal for new paint, carpet, and flooring throughout the facility.

- A cancellation provision allowing the County to cancel any time after 24 months with 180 days prior written notice.
- One option to extend the lease for an additional five years at the same terms and conditions.
- Annual rental rate adjustments based upon CPI with no minimum and a maximum increase of 3.5 percent per annum.

The Chief Executive Office (CEO) Real Estate staff conducted a survey within the search area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar office space is between \$16.08 and \$28.20 per square foot per year on a full-service basis, excluding parking. Thus, the base annual rent of \$19.80 per square foot per year full-service basis, including parking, for the proposed lease represents a rate within the market range for the area. Attachment B shows County-owned or leased facilities in the proximity of the service area and there are no suitable County-owned or leased facilities available for the program.

The program was approved for 15,060 square feet. However, budgetary considerations do not permit relocation, construction, and payment of new TIs. The program was approved for 54 parking spaces, of which 42 spaces are on-site. Ten supplemental parking spaces are provided under a separate lease agreement in an adjacent property, providing a total of 52 spaces. Street parking is also available in the vicinity.

The CEO Disability Civil Rights Unit inspected the leased premises and related common areas to assess Americans with Disabilities Act (ADA) accessibility compliance. A report identifying barriers to accessibility has been completed and provided to the CEO and DMH. Pursuant to the report, the Lessor and DMH are engaged in a collaborative effort to remove barriers to improve accessibility to the programs, services, and activities.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

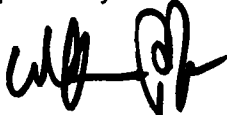
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office space for this County requirement. DMH concurs with the proposed lease recommendations.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return three originals of the executed lease amendment, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:FC:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Mental Health

**DEPARTMENT OF MENTAL HEALTH
2311 WEST EL SEGUNDO BOULEVARD, HAWTHORNE**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
	A Does lease consolidate administrative functions? ²			X
	B Does lease co-locate with other functions to better serve clients? ² The department has requested to remain at this facility due to budget constraints.		X	
	C Does this lease centralize business support functions? ²			X
	D Does this lease meet the guideline of 250 sq. ft of space per person? ² At 354 sq.ft. per employee due to an excess of space related to clinical operations. Budget constraints do not permit relocation or expansion.		X	
2.	<u>Capital</u>			
	A Is it a substantial net County cost (NCC) program?		X	
	B Is this a long term County program?	X		
	C If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D If no, are there any suitable County-owned facilities available?		X	
	E If yes, why is lease being recommended over occupancy in County-owned space?			X
	F Is Building Description Report attached as Attachment B?	X		
	G Was build-to-suit or capital project considered? The size of the program does not warrant a build-to-suit or capital project consideration.		X	
3.	<u>Portfolio Management</u>			
	A Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B Was the space need justified?	X		
	C If a renewal lease, was co-location with other County departments considered?	X		
	D Why was this program not co-located?			X
	1. ____ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. ____ No County-owned facilities available for the project.			
	4. ____ Could not get City clearance or approval.			
	5. ____ The Program is being co-located.			
	E Is lease a full service lease? ²	X		
	F Has growth projection been considered in space request?	X		
	G Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

**DEPARTMENT OF MENTAL HEALTH
2311 WEST EL SEGUNDO BOULEVARD, HAWTHORNE**

LACO	FACILITY NAME	ADDRESS	SQUARE GROSS	SQUARE FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
5374	PUBLIC LIBRARY-WOODCREST LIBRARY	1340 W 106TH ST, LOS ANGELES 90044	7254	5895	OWNED	NONE
A602	DCFS - TRANSITIONAL RESOURCE CENTER	8730 S VERMONT AVE, LOS ANGELES 90044	600	570	LEASED	NONE
A643	SOUTH L.A. COUNTY ADMINISTRATION BUILDING	8300 S VERMONT AVE, LOS ANGELES 90044	210000	195500	LEASED	NONE
X419	PROBATION CENTINELA OFFICE/PW-BLDG & SAFETY	1320 W IMPERIAL HWY, LOS ANGELES 90044	30000	28500	OWNED	NONE
0012	PW ROAD-MAINT DISTRICT 3 OFFICE	5530 W 83RD ST, WESTCHESTER 90045	1400	1260	OWNED	NONE
0013	PW ROAD-DIV #233/333/433 YARD OFFICE	5530 W 83RD ST, WESTCHESTER 90045	2400	2160	OWNED	NONE
0014	PW ROAD-DIV #233/333/433 OFFICE/ GARAGE	5530 W 83RD ST, WESTCHESTER 90045	5500	4950	OWNED	NONE
A378	DPSS-AIRPORT/WESTSIDE GAIN REGION I OFFICE	5200 W CENTURY BLVD, WESTCHESTER 90045	50147	47640	LEASED	NONE
A415	AG COMM/WTS & MEAS-LAX INSPECTION OFFICE	5600 W CENTURY BLVD, WESTCHESTER 90045	792	792	LEASED	NONE
F222	PW FLOOD-83RD ST YARD OFFICE	5520 W 83RD ST, WESTCHESTER 90045	702	632	OWNED	NONE
F224	PW FLOOD-83RD ST YARD OFFICE	5520 W 83RD ST, WESTCHESTER 90045	1920	1824	OWNED	NONE
X301	LOS ANGELES AIRPORT COURTHOUSE	11701 S LA CIENEGA BLVD, LOS ANGELES 90045	292000	157380	FINANCED	NONE
A614	DPSS-SOUTHWEST SPEC DIST (VERMONT VILLAGE)	1819 W 120TH BLVD, LOS ANGELES 90047-5102	88546	84119	LEASED	NONE
6319	PUBLIC LIBRARY-A C BILBREW LIBRARY	150 E EL SEGUNDO BLVD, LOS ANGELES 90061	21843	18287	OWNED	NONE
1694	ATHENS-FIELD OFFICE/COMFORT STATION	12603 S BROADWAY, LOS ANGELES 90061	655	264	OWNED	NONE
4403	SOUTH SERVICES AGENCY-ADMINISTRATION BUILDING	360 W EL SEGUNDO BLVD, LOS ANGELES 90061	2584	1901	OWNED	NONE
A552	DCSS-WILLOWBROOK ONE-STOP CAREER CENTER	12700 AVALON BLVD, LOS ANGELES 90061	24706	23471	LEASED	NONE
6465	DCSS-WILLOWBROOK SENIOR CENTER	12915 S JARVIS AVE, LOS ANGELES 90061	12858	8670	OWNED	NONE
F387	PW FLOOD-EL SEGUNDO YARD OFFICE	2155 EL SEGUNDO BLVD, EL SEGUNDO 90245	1600	1440	OWNED	NONE
5161	PUBLIC LIBRARY-GARDENA MAYME DEAR LIBRARY	1731 W GARDENA BLVD, GARDENA 90247	14122	11534	OWNED	NONE
A451	DMH-GARDENA WELLNESS CENTER	1300 W 155TH ST SUITE 103, GARDENA 90247	2160	2052	LEASED	NONE
4479	ANIMAL CONTROL #3-ADMINISTRATION BUILDING	216 W VICTORIA ST, CARSON 90248	1495	704	OWNED	NONE
6721	PUBLIC LIBRARY-MASAO W SATOW LIBRARY	14433 S CRENSHAW BLVD, GARDENA 90249	6639	5884	OWNED	NONE
C112	DCSS-ASIAN SERVICE CENTER	14112 S KINGSLEY DR, GARDENA 90249	16180	11420	LEASED	NONE
4704	PUBLIC LIBRARY-HAWTHORNE LIBRARY	12700 S GREVILLEA AVE, HAWTHORNE 90250	16949	16174	OWNED	NONE
A006	DMH-SOUTH BAY MENTAL HEALTH SERVICES	2311 W EL SEGUNDO BLVD, HAWTHORNE 90250	17000	11576	LEASED	NONE
A338	DCFS COMPTON WEST OFFICE	11539 S HAWTHORNE BLVD, HAWTHORNE 90250	31832	27057	LEASED	NONE
A551	DPSS-WFP&I & SOUTH REG IV IHSS/ADULT SERVICES	12000 HAWTHORNE BLVD, HAWTHORNE 90250	132996	106397	LEASED	NONE
A557	DPSS-ADULT PROTECTIVE SER/CHILD CARE CT	4300 W 120TH ST, HAWTHORNE 90250	7500	6750	LEASED	NONE
B320	PUBLIC LIBRARY-WISEBURN LIBRARY	5335 W 135TH ST, HAWTHORNE 90250	5088	4331	GRATIS USE	NONE
0069	PW ROAD-DIV #232 MAINTENANCE YARD OFFICE	4055 W MARINE AVE, LAWDALE 90260	800	720	OWNED	NONE
3908	PUBLIC LIBRARY-LAWDALE PUBLIC LIBRARY	14616 GREVILLEA AVE, LAWDALE 90260	5390	2942	LEASED	NONE
5605	PUBLIC LIBRARY - LIBRARY SITE (LAWDALE)	14615 BURIN AVE, LAWDALE 90260	17360	16492	OWNED	NONE
A475	DMH-SOUTH BAY FSP	14623 HAWTHORNE BLVD, LAWDALE 90260	3937	3740	LEASED	NONE
3394	INGLEWOOD JUVENILE COURTHOUSE	110 E REGENT ST, INGLEWOOD 90301	21538	13371	STATE OF CA AND COUNTY LA (PARTIAL)	NONE
6330	INGLEWOOD COURTHOUSE	1 E REGENT ST, INGLEWOOD 90301	140674	89483	OWNED	NONE
5933	PH-CURTIS TUCKER PUBLIC HEALTH CENTER	123 W MANCHESTER BLVD, INGLEWOOD 90301	28734	16828	OWNED	NONE
B520	DPSS-SOUTHWEST FAMILY WS DISTRICT OFFICE	623 E REDONDO BLVD, INGLEWOOD 90302	40000	25991	OWNED	NONE
0316	PUBLIC LIBRARY-LENNOX LIBRARY	4359 LENNOX BLVD, LENNOX 90304	4657	3679	OWNED	NONE

**AMENDMENT NO. 3 AND EXERCISE OF THIRD OPTION TO RENEW
LEASE NO. 59429
DEPARTMENT OF MENTAL HEALTH
2311 WEST EL SEGUNDO BOULEVARD, HAWTHORNE**

THIS AMENDMENT NO.3 and EXERCISE OF THIRD OPTION TO RENEW LEASE NO. 59429 ("Amendment" or "Amendment No. 3") is made, entered and dated as of this 6th day of March, 2012 by and between El Segundo Associates, LLC, a California limited liability company, hereinafter referred to as "**LESSOR**" and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "**LESSEE**."

RECITALS

WHEREAS, Lessor and Lessee are the parties to that certain Lease and Agreement No. 59429 (the "**Lease**") dated June 21, 1988 as amended, for the building described therein, located at 2311 West El Segundo Boulevard, Hawthorne, CA (the "**Building**"), for a term of ten (10) years (the "**Initial Term**") from December 1, 1988 to November 30, 1998;

WHEREAS, the parties entered into Amendment No. 1, dated March 16, 1999, and adopted on March 9, 1999; which provided for a seven (7) year extension of the Lease term ending March 8, 2006, and an option for an additional five (5) year term;

WHEREAS, the parties entered into Amendment No. 2, dated and adopted March 7, 2006; which provided for a five (5) year extension of the Lease term ending March 8, 2011, and an option for an additional five (5) year term.

WHEREAS, Lessee desires to exercise its option to extend the term for an additional five (5) years (the "**Third Option Term**").

WHEREAS, Lessor and Lessee desire to amend the terms of the Lease by adding an additional five (5) year option to extend the term, and changing various other terms and conditions as set forth herein.

NOW THEREFORE, in consideration of the foregoing recitals which are hereby made a contractual part of hereof, the parties hereby agree to amend the Lease as follows:

1. The Lessee, by executing this Amendment, is exercising its option to renew the Lease for an additional five (5) year term (the "Third Option Period") commencing upon approval of this Amendment by the Lessee's Board of Supervisors, and terminating five years thereafter.

2. PARAGRAPH 2: TERM: B. Options to Renew the Lease, is hereby amended to add:

Option No. 4 to Renew: Lessor and Lessee agree that Lessee shall have an additional option to renew this Lease for a term of five (5) years commencing upon expiration of Option No. 3 under the same terms and conditions set forth in this Lease, except that the rental rate shall be subject to negotiation, but shall not exceed ninety-five (95%) of the fair rental value which Lessor could derive from the Premises if they were made available on the open market ("Fair Rental Value"). The Fair Rental Rate of the Premises shall be determined in accordance with the provisions of Paragraph 2b, Option No.2 to Renew, of the Lease as amended.

Lessee by Chief Executive Office letter shall notify Lessor in writing not less than ninety (90) days prior to expiration of the Lease term of Lessee's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors prior to the expiration of the Lease term, or by special delegated authority from the Board of Supervisors.

2. PARAGRAPH 3: RENT of the Lease, is hereby amended to add the following:

During the Third Option Term commencing upon approval of the Board of Supervisors, the rental rate shall be TWENTY-EIGHT THOUSAND, FIFTY AND NO/100 (\$28,050.00) per month, i.e. \$1.65 per rentable square foot per month, payable in advance by Auditor's General Warrant. Rental payments shall be payable within fifteen days after the first day of each and every month of the term hereof provided Lessor has caused a claim therefore for each such month to be filed with the Auditor of the County of Los Angeles prior to the first day of each month.

3. PARAGRAPH 14: NOTICES of the Lease, is hereby deleted in its entirety, and the following is substituted therefor:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service.

Any such notice and envelope containing the same shall be addressed to the Lessor as follows:

Richard Gerber
El Segundo Associates
612 14th Street
Manhattan Beach, California 90266-4839

with a copy to:

Steve Zahn
Property Manager/ Agent
RTI Properties, Inc.,
1515 West 190th Street, Suite 455
Gardena, California 90248

Or such other place as may hereinafter be designated in writing by the Lessor except that Lessor shall at all times maintain a mailing address in California.

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, CA 90012

with a copy to:

Chief Executive Office, Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012
Attention: Director of Real Estate

4. PARAGRAPH 16: G INSURANCE of the Lease, is amended so that the words "Twenty-Six Thousand, Ten and no/100 Dollars (\$26,010.00)" shall be deleted and are substituted with the words "TWENTY-EIGHT THOUSAND, FIFTY AND NO/100 DOLLARS (\$28,050.00)."

5. PARAGRAPH 21: RENTAL ADJUSTMENT of the Lease, is hereby amended by deleting all mention of the words "Twenty-Six Thousand, Ten and no/100 Dollars (\$26,010.00)" wherever it appears and replacing it with the following: "TWENTY-EIGHT THOUSAND, FIFTY AND NO/100 DOLLARS (\$28,050.00)."

All definitions of Base Index contained in this Paragraph shall be deleted and in its place shall appear the following: "The Base Index shall be the Index published for the month the option term commenced."

6. PARAGRAPH 28: CANCELLATION of the Lease, is hereby amended by adding the following language:

Lessee shall have the right to cancel this Lease at or any time after the twenty-fourth month of the Third Option Term as set forth in Paragraph 2, by providing the Lessor at

least one-hundred eighty (180) days prior written notice by Chief Executive Office letter. In the event of such cancellation, the Lessee's right to purchase or first right to negotiate to purchase the property shall immediately terminate.

7. PARAGRAPH 29: CONDITIONS PRECEDENT of the Lease, is hereby amended by adding reference to Exhibit "D" as follows:

Within ninety (90) days of Board of Supervisors approval of this Amendment No. 3, Lessor, at Lessor's sole cost and expense, shall cause to be completed certain preparation of Premises (collectively, the "Improvements") to the facility as described in Exhibit "D" attached hereto and incorporated by reference herein.

The Improvements shall be performed using Building standard materials, procedures and specifications, as set forth in Exhibit D hereto. Lessor agrees to perform the interior related Improvements before 7:00 a.m. or after 5:00 p.m. Monday through Friday and/or at any time on weekends. Lessee hereby agrees to use its best efforts to cooperate with Lessor in connection with the construction of the Improvements. Notwithstanding the immediately preceding sentence, in connection with the performance of the Improvements, Lessor agrees to move, to the extent necessary, Lessee's furniture and such other items as Lessor may require be moved in order to perform the Improvements, including without limitation carpet furniture lift; provided, however, Lessee shall be required to move Lessee's computers, copiers and other personal property which Lessor or its contractor may request be moved. Notwithstanding the foregoing, Lessor shall use its commercially reasonable efforts to perform the Improvements in a manner so as to minimize unreasonable interference with Lessee's business at the Premises.

In no event shall the work on the Improvements be completed later than six (6) months after the approval of this Amendment by the Board of Supervisors.

8. Paragraph 27: OPTION TO PURCHASE, shall be deleted from this Lease in its entirety.

9. Paragraph 30: NOTICE OF INTENT TO SELL AND FIRST RIGHT TO NEGOTIATE, shall be added to the Lease and shall read as follows:

- A. Lessor shall not at any time prior to the expiration of this Lease, or any extension thereof, offer to sell the Premises, or any interest therein, without giving written notice thereof to Lessee, which notice is hereinafter referred to as "Notice of Intent to Sell".
- B. The Notice of Intent to Sell shall include all material terms of the proposed offering.
- C. For a period of thirty (30) business days following receipt by Lessee of the Notice of Intent to Sell, Lessee shall have the exclusive First Right to Negotiate. If Lessor and Lessee reach a mutually acceptable purchase price, Lessee shall

place ten percent (10%) of the agreed-upon purchase price in an escrow mutually acceptable to both parties. Escrow is to close in one hundred and twenty (120) days from the date of such deposit unless extended in writing by the parties.

If Lessee elects not to pursue the purchase offering, or if Lessor and Lessee do not reach a mutually acceptable purchase price within 30 business days, then Lessor is free to offer the property up for sale in the open market.

- D. The County's Chief Executive Office is authorized to perform all actions and execute any documentation that may be required to effectuate the Lessee's Rights under this Paragraph 30.

10. Paragraph 31: RIGHT TO INSTALL PERIMETER FENCE, shall be added to the Lease and shall read as follows:

Lessee shall have the right to install a fence at Lessee's expense, along the back parking lot serving the Premises for security purposes, provided prior approval (which shall not be unreasonably withheld) is granted by the Lessor. Lessee shall provide construction specifications, a diagram and other pertinent detail to Lessor for approval.

At the termination of Lessee's occupancy, the fence will remain on the Premises and become a part thereof.

11. Paragraph 32: RIGHT TO PERFORM ALTERATIONS, shall be added to the Lease and shall read as follows:

- a. Lessee shall have the right to modify the reception counter area in the Premises in order to comply with ADA requirements, with written permission of the Lessor, which permission shall not be unreasonably withheld.
- b. Lessee shall have the right to replace exterior signs at the Premises with permission of the Lessor, which permission shall not be unreasonably withheld.

12. All other terms and conditions of the Lease remain unchanged and are hereby reaffirmed to be in full force and effect. In the event of a conflict between the terms of the Lease and the terms of this Amendment No. 3, the terms of this Amendment No. 3 shall control.

IN WITNESS WHEREOF, The Lessor has executed this Amendment No. 3 and exercise of Third Option to Renew Lease No. 59429 or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors has caused Amendment to be executed on its behalf by the Mayor of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR

EL SEGUNDO ASSOCIATES, LLC,
a California limited liability company

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: [Signature]
Name: Richard Gerber
Title: Managing Partner

By: _____
Name: _____
Title: _____

ATTEST:

Sachi E. Hamai
Executive Officer-Clerk
of the Board of Supervisors

LESSEE

COUNTY OF LOS ANGELES
a body politic and corporate

By: [Signature]
Deputy

By: [Signature]
Zev Yaroslavsky
Chairman, Board of Supervisors

APPROVED AS TO FORM:

JOHN F. KRATTLI
Acting County Counsel

By: [Signature]
Amy M. Caves
Senior Deputy



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

12

MAR 6 2012

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

EXHIBIT "D"

GENERAL NOTES – SPECIFICATIONS FOR IMPROVEMENTS

1. All work and materials shall conform to the requirements of the Los Angeles County Building, Mechanical and Electrical Codes, latest editions, and these notes.
2. Verify existing conditions before start of work. Notify Sanjay Jaswal, CEO, 213-974-4264, of any discrepancies.
3. Clean all existing surfaces, especially the existing floor. Repair all damaged surfaces as required. Provide new finishes as specified below:
4. The Lessor shall provide new finishes

New finishes shall include:

- Carpet: Install new carpet tiles throughout (wherever carpet now existing). 24 oz., Biglow Commercial, 24"X24" or approved equal.
Artist -7595 Einstein (4/4/11)
- Topset Base: At all existing walls and cabinet bases, Burke, 4" high.
Fudge 104
- VCT Tile: Install new VCT tiles in Room 206 and Room 209.
Azrock by Tarkett or approved equal. V-786
- VCT Tile: Install new VCT tile floor In Elevator Lobby area on the Second floor (4/4/11).
- Paint: At all existing walls, doors, and trim, as needed, eggshell finish, Frazee or Dunn-Edwards. Base Color - Swiss Coffee, Accent Color – Misty Blush DE6044.
 - A. Paint all existing interior spaces including, but not limited to walls, doors, and trim. Provide one primer coat and one finish coat.
- Ceilings: Replace, stained or damaged acoustic tile to match existing, as needed.
- Door stop: Install missing door stops throughout the suite, as needed.

Contact Sanjay Jaswal, (213) 974-4264, for material, color selections and floor plan.